



October 20, 2012

Mr. Odi Ortiz, Assistant City Manager/Finance Director
City of Livingston Redevelopment Agency
1416 "C" Street
Livingston, CA 95334

Dear Mr. Ortiz:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Livingston Redevelopment Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on September 5, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- Item No. 1 – Reimbursement Agreement in the amount of \$511,192. HSC section 34171 (d) (1) (B) states that loans of money borrowed by the redevelopment agency (RDA) for a lawful purpose need to have a repayment schedule or loan terms. A Cooperation Agreement between the RDA and the City of Livingston (City) was provided but does not detail an amount, loan terms or a repayment schedule. This line item is not an enforceable obligation and is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item No. 2 – Livingston Court Theater Project in the amount of \$361,524 payable from RPTTF. The Grant Contract provided is between the City and the California Department of Parks and Recreation and was signed on January 12, 2012. The RDA is not a party to the contract or responsible for payment; therefore, the item is not an enforceable obligation.
- Item No. 4 – Contract for Consulting Services in the amount of \$2,945 payable from RPTTF. This is a Network Maintenance Agreement between Quick PC Support LLC and the City. The RDA is not a party to the contract or responsible for payment; therefore, the item is not an enforceable obligation.

Although Item Nos. 3, 5, and 6 were reclassified as administrative costs, the administrative cost allowance has not been exceeded.

Except for items denied in whole or in part as enforceable obligations as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$49,243 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 298,889
Less: Six-month total for items denied or reclassified as administrative cost	
Item 1	274,394
Item 2*	0
Item 3**	9,300
Item 4	2,945
Item 5**	12,000
Item 6**	250
Total approved RPTTF for enforceable obligations	\$0
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	49,243
Total RPTTF approved:	\$ 49,243

* No RPTTF funding requested for the reporting period

**Reclassified as administrative cost

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

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Please direct inquiries to Beliz Chappuie, Supervisor or Cindie Lor, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Jose Antonio Ramirez, City Manager, City of Livingston
Ms. Sylvia Sanchez, Supervising Accountant, County of Merced